

**GOVERNMENT OF ANDRHA PRADESH  
ABSTRACT**

Agriculture & Cooperation Department - Reimbursement of Handling & Storage and Secondary transportation expenses for a quantity of 6.50 lakh MTs Fertilizers during Rabi 2008-2009 - Orders - Issued.

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**AGRICULTURE & COOPERATION (F.P.II.2) DEPARTMENT**

**G.O.Rt.No. 1364**  
**Dated.07.11.2008**

**Read the**

**following:-**

1. G.O.Rt.No.774, A&C(FP.II)Deptt, dated.21.6.2008
2. From the Managing Director of A.P State Co-operative Marketing Federation,Ltd.,letterRc.No.Markfed/Fert/Agri/2008-09,dated.29.09.2008.

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**ORDER:**

In the G.O.1<sup>st</sup> read above, orders were issued for reimbursement of the incidental charges like storage, loading, unloading, insurance and transportation charges of Rs.22.75 crores approximately @ Rs.455/- per MT or actual expenditure whichever is lower on the stocks stored only in the buffer godowns to A.P.MARKFED on the quarterly basis in the interest of farming community so as to enable the agencies to sell the stocks at MRP for Kharif season 2008.

**2.** The Manaing Director, A.P.State Co-operative Marketing Federation Ltd., in the refernece 2<sup>nd</sup> read above has , stated that unless the material is delivered on FOL basis, the village level institutions can not sell at MRP as expenditure incurred on transportation will be added to the cost, resulting in exceeding MRP. Being Govt, institutions, under any circumstances the statutory provisions cannot be flouted by selling the product over and above MRP, and it is apprehended that the institutions may not come forward for lifting the stocks as they are likely to incur losses on fertilizer business.

**3.** Therefore, the M.D, A.P.State Co-operative Marketing Federation Ltd has proposed to reduce the institutional margin to the bearest minimum to reduce financial burden on the State Govt., for serving the farming community at the same level with almost “no loss no profit” basis. Earlier the institutions used to get Rs.100/- per MT as additional margin from out of distribution margin which is now proposed to be cut down to the entire extent. He has stated that if the Government consider handling and secondary transportation @ Rs.355 /- per MT against 455/- per MT of earlier proposal then Rs.100/- MT has to be borne by the institutions. In addition to reduction of margins, the business of societies is also expected to be reduced considerably to a quantity of 6.50 lakh MTs from 7.50 lakh MTs as proposed earlier. He also informed that the proposal involving a quantity of 6.50 lakhs MTs @ Rs.355/- per MT works out to Rs.23.07 crores as against the expenditure proposed earlier for Rs.34.12 crores.

**4.** The Managing Director of A.P State Co-operative Marketing Federation Ltd, has therefore, requested the Government to accord approval for an amount of Rs. 23.07 crores to meet the expenditure of unloading, loading, storage, secondary transportation wharfage and demurrage charges and their reimburesment thereafter at an early date, as the Rabi 2008-09 season commenced and as the time available is short, and as to go ahead with the proposal, as they cannot hold back the supplies to the societies.

**5.** Government after careful examination hereby agree for reimbursement of an amount of Rs. 23.07 crores subject to meeting the expenditure of unloading, loading, storage, secondary transportation

wharfage and demurrage charges from the loan amount of Rs.500.00 crores already raised by MARKFED.

**6.** The Commissioner & Director of Agriculture, A.P.Hyderabad and the M.D., AP MARKFED,Hyderabad shall take further necessary action in the matter.

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**7.** This order issued with the concurrence of Finance (Exp.A&C) Department, vide their U.O.NO.30787/468/A2/EAC/2008, dated.4.11.2008

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**RACHEL CHATERJEE  
PRINCIPAL SECRETARY TO GOVERNMENT**

**To**

**The Managing Director, A.P.Markfed, Hyderabad**

**The Commissioner & Director of Agriuculture, Hyderabad**

**Copy to Finance (EAC) Deptt,**

**Copy to PS to Min (Agri)**

**Copy to PS to Prl.Secretary to Govt., (Agri)**

**SF/SC.**

**// FORWARDED:: BY ORDER//**

**SECTION OFFICER**